



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 14, 2002

S. 1850 **Underground Storage Tank Compliance Act of 2002**

*As ordered reported by the Senate Committee on Environment and Public Works
on July 25, 2002*

SUMMARY

S. 1850 would authorize the appropriation of funds to promote the cleanup of leaking underground storage tank (LUST) sites and the prevention of leaks at underground storage tank (UST) sites. The bill would authorize the appropriation of \$1.675 billion from the LUST Trust Fund over the 2003-2007 period for those purposes. This funding would be used by the Environmental Protection Agency (EPA) for grants to states for the cleanup and treatment of contamination at LUST sites, including contamination from methyl tertiary butyl ether (known as MTBE and used as an additive in some gasoline), and for enforcement and inspection activities at UST sites. In addition, S. 1850 would authorize the appropriation of \$125 million over the next five years for EPA to support compliance efforts at UST sites, including grants to states to develop leak detection programs.

Assuming appropriation of the specified amounts, CBO estimates that implementing this legislation would cost about \$1.7 billion over the 2003-2007 period. CBO also estimates that enactment of S. 1850 would have a negligible effect on receipts because the bill would allow EPA to impose civil penalties on certain UST operators that do not comply with EPA or state standards. Therefore, pay-as-you-go procedures would apply.

S. 1850 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1850 is shown in the following table. For this estimate, CBO assumes that the authorized amounts will be appropriated for each year and that outlays will follow historical spending patterns for similar activities. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION						
LUST and UST Spending Under Current Law						
Budget Authority ^a	90	0	0	0	0	0
Estimated Outlays	93	60	33	13	5	0
Proposed Changes						
LUST Grants to States						
Authorization Level	0	150	150	150	150	150
Estimated Outlays	0	128	150	150	150	150
EPA Support for UST						
Authorization Level	0	25	25	25	25	25
Estimated Outlays	0	21	25	25	25	25
Biannual Inspections of USTs						
Authorization Level	0	35	35	20	20	20
Estimated Outlays	0	30	35	22	20	20
MTBE Remediation						
Authorization Level	0	125	125	125	125	125
Estimated Outlays	0	106	125	125	125	125
Prevention and Compliance Grants						
Authorization Level	0	50	30	30	30	30
Estimated Outlays	<u>0</u>	<u>43</u>	<u>33</u>	<u>30</u>	<u>30</u>	<u>30</u>
Total Proposed Changes						
Authorized Level	0	385	365	350	350	350
Estimated Outlays	0	328	368	352	350	350
LUST and UST Spending Under S. 1850						
Authorization Level	90	385	365	350	350	350
Estimated Outlays	93	388	401	365	355	350

a. The 2002 level is the amount appropriated for EPA's LUST and UST programs in that year.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Because the civil penalties that could be imposed under this bill are classified as receipts, pay-as-you-go procedures would apply. Because states would mostly be responsible for implementing the LUST program, CBO estimates that any additional collection of civil penalties under the bill by EPA would be insignificant each year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1850 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would benefit state, local, and tribal governments by doubling grants to states for the cleanup of LUST sites and other activities. Any costs to comply with the conditions of these grants would be voluntary.

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